

BROADS TRAVEL GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010



COMPANY NUMBER 01619413

DIRECTORS AND OFFICERS:

DIRECTORS

M.J. Webb
N. Saunders
A.C. Burns

SECRETARY

N. Saunders

REGISTERED OFFICE

50, Mere Green Road,
Sutton Coldfield,
West Midlands, B75 5BT.

AUDITORS

Farmiloes LLP,
Chartered Accountants,
Winston Churchill House,
Ethel Street,
Birmingham, B2 4BG.

BANKERS

Barclays Bank plc.,
21 Birmingham Road,
Sutton Coldfield,
West Midlands,
B72 1PW.

REGISTERED NUMBER

01619413

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements of the company for the year ended 31st December 2010.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of travel agents.

BUSINESS REVIEW

Sales generated were an improvement on the previous year but unfortunately commission generated was well down due to a squeeze on margins. Wages and expenses were well controlled but even so trading profit was disappointing. The difficult area is leisure with sales considerably down. The leisure market has seen a fairly turbulent year with difficulties in the economy, the volcanic ash cloud, earthquakes and various global conflicts. However on a positive note cruising turnover remains steady and business travel and hotels showed an increase in turnover and commissions.

HOLDING COMPANY

The company is a wholly-owned subsidiary of Webb Hotels & Travel Limited, a company incorporated in Great Britain.

DIRECTORS

A list of directors is given on the company information page.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS
(CONTINUED)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these financial statements as set out on the company information page each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Farmiloes LLP will therefore continue in office.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



**N. SAUNDERS
SECRETARY**

50, Mere Green Road,
Sutton Coldfield,
West Midlands, B75 5BT.

8th April, 2011.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
BROADS TRAVEL GROUP LIMITED**

We have audited the financial statements of Broads Travel Group Limited for the year ended 31st December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



**DAVID PURSER – SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF FARMILOES LLP, STATUTORY AUDITOR**

Date. 8th April, 2011

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2010**

	Notes	2010	2009
TURNOVER	2	6,928,105	6,625,295
Cost of sales		(6,309,210)	(5,929,214)
GROSS PROFIT		<u>618,895</u>	<u>696,081</u>
Administrative expenses		(604,385)	(652,994)
OPERATING PROFIT	3	<u>14,510</u>	<u>43,087</u>
Interest payable and similar charges		(2,670)	(2,998)
Interest receivable and similar income		357	215
		<u>12,197</u>	<u>40,304</u>
Exceptional item	20	-	(5,382)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12,197</u>	<u>34,922</u>
Tax on profit on ordinary activities	4	(3,517)	(8,578)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>£8,680</u>	<u>£26,344</u>

All amounts relate to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2010**

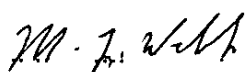
	2010	2009
Profit for the financial year	8,680	26,344
Unrealised surplus on revaluation of freehold property	284,210	-
Total recognised gains and losses for the year	<u>£292,890</u>	<u>£26,344</u>

**BALANCE SHEET
AS AT 31ST DECEMBER 2010**

	Notes	2010	2009
FIXED ASSETS			
Tangible assets	5	704,955	439,823
Intangible assets	6	-	-
Investments	7	-	-
		<u>704,955</u>	<u>439,823</u>
CURRENT ASSETS			
Debtors	8	283,978	300,366
Cash at bank and in hand		284,741	230,910
		<u>568,719</u>	<u>531,276</u>
CREDITORS – Amounts falling due within one year	9	481,092	448,818
NET CURRENT ASSETS		<u>87,627</u>	<u>82,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>792,582</u>	<u>522,281</u>
CREDITORS – Amounts falling due after more than one year	10	136,300	147,800
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	13	6,834	8,323
NET ASSETS		<u>£649,448</u>	<u>£366,158</u>
CAPITAL AND RESERVES			
Called up share capital	14	40,000	40,000
Revaluation reserve	15	293,266	9,056
Profit and loss account		316,182	317,102
SHAREHOLDERS' FUNDS	15	<u>£649,448</u>	<u>£366,158</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the board on 8th April, 2011 and signed on its behalf by



M.J. WEBB – DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010****1. ACCOUNTING POLICIES****Accounting convention**

These financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain tangible fixed assets.

Turnover

Turnover represents invoiced sales of goods and services excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	- 2% on a straight line basis
Fixtures and fittings	- 15% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Computer equipment	- 20% on a straight line basis

Intangible fixed assets

Purchased goodwill (Note 6) has been written off over five years on a straight line basis.

Deferred tax

In accordance with FRS 19 Deferred Tax, deferred tax is accounted for in respect of all timing differences between profits as computed for tax purposes and profits as stated in the accounts, computed at rates expected to be applicable when the timing difference is expected to reverse.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Hire purchase and leasing commitments (continued)

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Group accounts

The company is exempt by virtue of S.400(1) of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group (Note 7).

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Income recognition

Commission income from retail sales is recognised in the profit and loss account when the full balance has been received from the client.

Income from business travel sales is recognised in the profit and loss account when an invoice is raised to the client.

2. TURNOVER

Turnover was derived from the company's principal activity which was carried out wholly in the U.K.

3. OPERATING PROFIT

	2010	2009
The operating profit is stated after charging:		
Depreciation	19,078	19,529
Amortisation of goodwill	-	1,000
Auditors remuneration	5,625	5,735
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. TAXATION

	2010	2009
a) Analysis of charge in the year		
Current tax:		
UK Corporation Tax at 21% (2009: 21%)	5,006	8,761
Deferred tax:		
Movement for year (Note 13)	(1,489)	(183)
Tax on profit on ordinary activities	<u>£3,517</u>	<u>£8,578</u>

b) Factors affecting the tax charge for the year

The small companies' rate of 21% (2009: 21%) U.K. Corporation Tax is applicable to the profit for the year. The actual tax charge differs from this rate for the reasons set out below:-

	2010	2009
Profit on ordinary activities before tax	<u>12,197</u>	<u>34,922</u>
Tax on profit at small companies rate	2,561	7,334
Effects of:		
Depreciation in excess of capital allowances	2,403	1,422
Expenses not deductible for tax purposes	42	5
Current tax charge for year	<u>£5,006</u>	<u>£8,761</u>

Factors that may affect future tax charges:

In arriving at the liability for deferred taxation (Note 13) a Corporation Tax rate of 28% has been used in arriving at the provision.

Note 13 also makes reference to the deferred tax on gains recognised on property revaluation.

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

5. TANGIBLE FIXED ASSETS

Cost or valuation	Freehold property	Fixtures and fittings	Computer equipment	Motor vehicles	Total
At 1st January 2010	408,149	189,565	77,325	18,000	693,039
Surplus on revaluation	241,851	-	-	-	241,851
At 31st December 2010	<u>650,000</u>	<u>189,565</u>	<u>77,325</u>	<u>18,000</u>	<u>934,890</u>
Depreciation					
At 1st January 2010	36,239	153,220	50,147	13,610	253,216
Charge for year	6,120	5,452	6,408	1,098	19,078
Surplus on revaluation	(42,359)	-	-	-	(42,359)
At 31st December 2010	<u>-</u>	<u>158,672</u>	<u>56,555</u>	<u>14,708</u>	<u>229,935</u>
Net book values					
At 31st December 2010	<u>£650,000</u>	<u>£30,893</u>	<u>£20,770</u>	<u>£3,292</u>	<u>£704,955</u>
At 31st December 2009	<u>£371,910</u>	<u>£36,345</u>	<u>£27,178</u>	<u>£4,390</u>	<u>£439,823</u>
Historic cost of revalued assets	<u>£399,093</u>				

The freehold property was valued at an open market value of £650,000 on 31st December 2010 following a professional valuation by Taylors Business Surveyors & Valuers Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INTANGIBLE FIXED ASSETS

	Purchased Goodwill
Cost	
At 1st January 2010 and 31st December 2010	42,708
	<hr/>
Amortisation	
At 1st January 2010 and 31st December 2010	42,708
	<hr/>
Net book values	
At 31st December 2010	£NIL
	<hr/>
At 31st December 2009	£NIL
	<hr/>

7. FIXED ASSET INVESTMENTS

	2010	2009
Shares in group company at cost	£NIL	£NIL
	<hr/>	<hr/>

The company holds the whole of the issued share capital of the dormant subsidiaries George Travel Bureau Limited and Broads Business Travel Limited.

8. DEBTORS

	2010	2009
Trade debtors	258,424	270,499
Other debtors	1,160	624
Prepayments and accrued income	24,394	29,243
	<hr/>	<hr/>
	£283,978	£300,366
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CREDITORS – Amounts falling due within one year

	2010	2009
Bank loans and overdrafts – secured	10,351	10,351
Trade creditors	432,997	391,466
Amount due to group undertakings	7,192	12,792
Amount due to related undertaking	739	2,588
Other taxes and Social Security	16,677	15,021
Corporation Tax	5,006	8,761
Accruals and deferred income	8,130	7,839
	<u>£481,092</u>	<u>£448,818</u>

10. CREDITORS – Amounts falling due after more than one year

	2010	2009
Bank loans - secured	<u>£136,300</u>	<u>£147,800</u>
Amounts falling due in:		
1 – 2 years	11,500	11,500
2 – 5 years	46,000	46,000
Over 5 years	78,800	90,300
	<u>£136,300</u>	<u>£147,800</u>

11. OPERATING LEASE COMMITMENTS

At 31st December 2010 the company had annual commitments under operating leases as follows:

	Expiry within one year
Other operating leases	<u>£754</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. SECURED CREDITORS

The following secured debts are included within creditors:

	2010	2009
Bank loans	£146,651	£158,151
	<u> </u>	<u> </u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

13. DEFERRED TAX

	2010	2009
Balance brought forward	8,323	8,506
Movement for year	(1,489)	(183)
	<u> </u>	<u> </u>
Balance carried forward	£6,834	£8,323
	<u> </u>	<u> </u>

The provision relates to accelerated capital allowances and is based on an anticipated rate of 28% being applicable in the years that the timing differences are expected to reverse.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold. The total amount unprovided is £31,126. At present it is not envisaged that any tax will become payable in the foreseeable future.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	2009 and 2010
17,500	"A" Ordinary	£1	17,500
17,500	"B" Ordinary	£1	17,500
5,000	"C" Ordinary	£1	5,000
			<u> </u>
			£40,000
			<u> </u>

Shares have equal rights as to voting, dividends and capital.

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**15. COMBINED STATEMENT OF MOVEMENT ON RESERVES AND
RECONCILIATION OF SHAREHOLDERS' FUNDS**

	Share Capital	Revaluation Reserve	Profit and Loss	Total
At 31st December 2008	40,000	9,056	300,358	349,414
Profit for financial year to 31st December 2009	-	-	26,344	26,344
Dividends paid	-	-	(9,600)	(9,600)
At 31st December 2009	<u>40,000</u>	<u>9,056</u>	<u>317,102</u>	<u>366,158</u>
Profit for financial year to 31st December 2010	-	-	8,680	8,680
Dividends paid	-	-	(9,600)	(9,600)
Surplus on revaluation of freehold property	-	284,210	-	284,210
At 31st December 2010	<u>£40,000</u>	<u>£293,266</u>	<u>£316,182</u>	<u>£649,448</u>

16. CONTINGENT LIABILITIES

Bond issued by Barclays Bank plc on behalf of the company is as follows:

ABTA	<u>£127,040</u>
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The company has given an unlimited guarantee in respect of group borrowings from Barclays Bank plc. The total group borrowings at the year end were £9,117,454 (2009: £9,727,905).

17. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2010 (31st December 2009: £Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in paragraph 3(c) of FRS 8 in not reporting transactions with fellow group undertakings.

M.J. Webb Management Services Limited, a company controlled by Mr. M.J. Webb charged fees to the company of £9,510 during the year (2009: £23,800).

At 31st December 2010 £Nil was owed to M.J. Webb Management Services Limited (2009: £2,588).

Sales of £3,172 (2009: £Nil) were made to M.J. Webb Management Services Limited during the year. There was no balance owing to the company at 31st December 2010.

The Real Web Company Limited, a company controlled by a close family member of a director, charged fees to the company of £10,177 during the year (2009: £Nil). At 31st December 2010 £739 was owed to The Real Web Company Limited (2009: £Nil).

19. CONTROLLING INTEREST

The ultimate holding company, Webb Hotels and Travel Limited, is under the control of Mr. M.J. Webb who, at the balance sheet date, owns 50.05% of the issued shares.

20. EXCEPTIONAL ITEM

	2010	2009
Costs associated with the restructuring of staffing levels	£Nil	£5,382